

Third Party Contact (TPC) – Privacy Impact Assessment (PIA)

PIA Approval Date: January 30, 2009

System Overview

Pursuant to IRC §7602(c), a third-party contact is made when an IRS employee initiates contact with a person other than the taxpayer. A third party may be contacted to obtain information about a specific taxpayer with respect to that taxpayer's Federal tax liability, including the issuance of a levy or summons to someone other than the taxpayer. When Tax Compliance Employees determine that a third party (such as a bank, employer, spouse, etc.) needs to be contacted, the taxpayer has the right to know who has been contacted. Notices are provided upon request and issued on-demand to taxpayers and Power of Attorneys (POAs) that have third party contacts.

Systems of Records Notice (SORN):

- Treasury/IRS 00.333 Third Party Contacts
- Treasury/IRS 00.334 Third Party Contact Reprisal Records
- Treasury/IRS 34.037 IRS Audit Trail and Security Records Systems

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer – Taxpayer Identification Number (TIN), Secondary TIN, Name Control

B. Employee – ID Number, Telephone Number, Mail Stop Number

C. Audit Trail Information – Date of Contact.

(This application is covered and protected by MITS-21, IBM Masterfile audit trail).

D. Other – Name of Third Party, Reprisal Determination, Category of Third Party, Employee Plans (EP) Plan Number (Tax Exempt/Government Entities (TEGE) only), Master File Table (MFT)/Tax Year

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS – All data elements (Taxpayer Identification Number [TIN], Social Security Number [SSN], and Name Control) are obtained from Automated Collection System (ACS), Integrated Collection System (ICS), and Automated Under Reporter (AUR). Data in ACS, ICS, and AUR is obtained two ways: (1) Third Party Contact Form 12175 completed by employees and input by coordinators through command code data information and (2) other IRS files.

Taxpayer data elements (TIN, SSN, and Name Control) may also come from the IRS compliance officers who work cases. Provide this to revenue agent.

B. Taxpayer – TPC Coordinators do not receive any information directly from taxpayers. All information comes from IRS compliance officers.

C. Employee – Data elements are provided by IRS compliance employees to designated TPC Coordinators for use in entering into the TPC database. Certain IRS compliance employees

are responsible for the automated process of entering data into the database, while TPC Coordinators are responsible for the manual process using Form 12175.

D. Other Federal Agencies – TPC Coordinators do not receive any information directly from other Federal Agencies. All information comes from IRS compliance officers.

E. State & Local Agencies – TPC Coordinators do not receive any information directly from State & Local Agencies. All information comes from IRS compliance officers.

F. Other Third Party Sources – TPC Coordinators do not receive any information directly from other third party sources. All information comes from IRS compliance officers.

3. Is each data item required for the business purpose of the system? Explain.

Yes. Section 3417 of the Internal Revenue Service Restructuring and Reform Act of 1998 amended Internal Revenue Code (IRC) Section 7602(c)(2) and (3). This section states that the Service is to provide the taxpayer a record of persons contacted with respect to the determination or collection of the tax liability. It also identifies exceptions to providing a record of persons contacted because of reprisal against any person, pending criminal investigation, authorization by taxpayer, or jeopardizing tax collection. The data items provide the Service with the ability to identify the taxpayer who is requesting a record of person(s) contacted, the person(s) contacted as well as person(s) exempt per IRC 7602(c)(3).

4. How will each data item be verified for accuracy, timeliness, and completeness?

TPC only accepts valid values. Any data entry in the system that is not valid receives an error message. Invalid files are placed in a reject file to be reworked. In addition, Third Party Contact coordinators review information for accuracy and completeness before input.

5. Is there another source for the data? Explain how that source is or is not used.

TPC has no other sources for the data.

6. Generally, how will data be retrieved by the user?

Data within TPC is retrieved from ICS, ACS, and AUR through batch processes. The user will use the Integrated Data Retrieval System (IDRS) and Command Code TPCOL to retrieve data in the system.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?

Yes. Data is retrievable by using the TIN that was initially placed in the system.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

Only TPC programmers and designated TPC coordinators/supervisors have access to TPC. MITS EOps personnel (database/system administrators) have access to the mainframe for administration purposes only. Currently, no contractors have access to TPC data.

9. How is access to the data by a user determined and by whom?

When an employee is selected as a TPC Coordinator, they apply through local security personnel via use of Online Form 5081 to receive TPC command code authority.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.

Yes. Information is obtained from ACS, ICS, and AUR. Data that is shared is the TPC information stated in response #1. Validity checks are performed against the NAP application.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

- ACS was certified on May 30, 2007. A PIA was completed for ACS on February 5, 2007.
- ICS was certified on June 19, 2008. A PIA was completed for ICS on April 28, 2006.
- AUR was certified on June 6, 2006. A PIA was completed for AUR on December 21, 2005.

Certifications are valid for three years.

12. Will other agencies provide, receive, or share data in any form with this system?

No. Other agencies will not provide, receive, or share data in any form with this system.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?

At the end of each calendar year, the earliest year remaining on the system (if more than 5 years old) is archived on tape and stored at the Enterprise Computing Center – Martinsburg (ECC-MTB). Please Note: Currently Third Party Contact application does not have an IRS/NARA approved Records Control Schedule. We will work with the IRS Records Office to obtain the required Records Control Schedule and ensure that the records are in compliance with the approved requirements for disposition (archived or deleted).

14. Will this system use technology in a new way?

No. The TPC system will not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.

Yes. TPC can be used to identify the third party contacts.

Since January 18, 1999, the IRS has been required to inform the taxpayer of the possibility that third-parties may be contacted in connection with the determination or collection of a tax. All IRS employees who contact third-parties in connection with the determination or collection of a tax must keep a complete and accurate record of the third-party contact.

Upon request, the Service will provide the taxpayer with a record of the persons contacted and will also provide this information whenever the taxpayer requests it. See Internal Revenue Code 7602(c). Section 7602(c) does not apply if the contacts are made pursuant to a criminal investigation or if the Service determines that releasing the information would either jeopardize tax collection or subject the third-party to reprisals. In addition, this section does not apply to any contact authorized by the taxpayer.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.

No. This system does not provide the capability to monitor individuals or groups.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?

No. The purpose of the system is to store and retrieve data on third party contacts made by IRS employees who are in the process of examining or collecting tax liabilities from an individual or business entity.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?

Not applicable.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

Not applicable. TPC is not a web based system.

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